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SUBJECT: AFGHAN FIRST: BUILDING AFGHAN CAPACITY, LEADERSHIP, AND SUSTAINABILITY

11. SUMMARY: Embassy Kabul and USFOR-A intend to implement "Afghan First" to support Afghan leadership, capacity, and sustainability. Procuring goods and services from Afghan companies promotes economic development, supports the growth of a modern and competitive business sector, and boosts Afghan employment. The coalition military and development agencies are significant players in the Afghan economy and our influence will be more positive to the extent we actively partner with Afghans and Afghan companies to create jobs.

12. "Afghan First" means that, consistent with all applicable U.S. law governing USG procurement and acting within legal authorities, USG officials making procurement decisions for goods and services in support of USG operations in Afghanistan, will actively solicit Afghan suppliers who can immediately or prospectively meet our requirements on a price, quantity, and quality competitive basis. If necessary, procurement officers will work with appropriate U.S. agencies, contractors and grantees to meet required price, quantity, and quality standards within reasonable time horizons. Afghan firms know the terrain and can often provide goods and services with comparable quality at competitive prices. With a shorter supply chain, local procurement is often the best way for the buyer to maximize value and timely delivery of needed goods and services. Such business engagement can broaden Afghan support for our mutual strategic objectives in Afghanistan. But most importantly, it helps local businesses to grow, gain experience, and generate jobs in the industrial, commercial, and agriculture sectors. END SUMMARY

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AFGHAN FIRST POLICY AND PROCEDURES  
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13. Maximizing local procurement in all USG and other foreign procurement contributes directly to private-sector-led economic development, something that is critically important to accomplish our shared purpose: to support Afghan leadership, capacity, and sustainability. Embassy Kabul and USFOR-A therefore intend to implement a procurement policy of "Afghan First."

14. Local procurement can be faster, easier, and less expensive than purchasing from vendors outside Afghanistan. For many products and services -- e.g., building and construction machinery; manufacturing components and supplies; electrical and lighting equipment; air and ground transportation; office equipment and supplies -- local quality standards may already meet the standards of imported alternatives, or with focused and sustained effort, they may be raised to world standards. Afghan First guiding principles include:  
1) Substantive Afghan ownership, investment, employment presence,

and branding; 2) Demand-driven development; 3) Capacity-Development; and 4) Effectiveness (employing local Afghans and Diaspora members where possible).

15. Increasing local procurement, at acceptable standards for quality, quantity, price and reliability of supply, will require sustained senior management attention (as permitted by procurement regulations), and the dedication of those USG employees at all levels regarding procurement decisions. All of us must be innovative, proactive, and creative to implement "Afghan First."

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IMPLEMENTING AFGHAN FIRST  
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16. Embassy Kabul and USFOR-A intend to use existing local resources and Afghan business directories such as The Peace Dividend Trust (PDT). The PDT is a non-profit organization that fosters and implements innovations in peacekeeping and economic development. Its goal is to make programs efficient, effective, and equitable. Through USAID programs, the USG has supported local partners such as PDT, which has been working in Afghanistan since January 2006 to increase local procurement by connecting international buyers to Afghan sellers. The PDT manages a database of about 3,500 Afghan suppliers listed on PDT's webpage: [www.buildingmarkets.org](http://www.buildingmarkets.org). The PDT trains Afghan companies about bidding and performance issues.

17. To develop Afghan skills, we intend to: 1) retain Afghan firms wherever possible; 2) consider transitioning from large contracts to smaller contracts that Afghan businesses are more likely to be able to fulfill. This breakdown may be geographic, with contracts broken

down into regional pieces; it could also be sector specific, with multi-sectoral contracts broken down into sectoral pieces. A third part of our effort to develop Afghan skills would be to coordinate training programs for current or prospective suppliers or refer them to an existing program with incentives to participate.

18. To encourage a greater response from Afghan businesses, Embassy Kabul and USFOR-A intend to: 1) advertise tenders and contracts with local communities, ensuring that the notice is printed in Dari and Pashto; 2) simplify tender documents wherever possible so that they are easier to read, understand, and respond to; 3) clearly identify business contacts in each Mission section who are fluent in Dari and Pashto; 4) make vendor registration procedures and key forms available in Dari and Pashto; and 5) provide bid invitations and tender documents free of charge to local Afghan businesses.

19. In terms of Human Resources, Embassy Kabul and USFOR-A intend to: 1) hire Afghan national staff directly and by contract wherever possible; and 2) build capacity of national staff and provide mentorship, training, and professional development opportunities. We will continue to provide recognition, referrals, and recommendations to support their professional development and motivation.

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NEXT STEPS  
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10. The U.S. Mission will work with UNAMA, USFOR-A, ISAF and international organizations to increase procurement of Afghan supplies and services for civilian and military activities. At the Local Procurement Campaign Conference in June 2009, Ambassador Kai Eide, Special Representative of the UN Secretary-General, challenged conference participants to increase local procurement by at least 10%. By implementing Afghan First, the USG can establish targets to meet and exceed this goal. USG procurement offices (including Human Resources Offices) should record the procurement of all goods and services, and analyze and report this data quarterly, e.g., by using existing WebPass and eServices systems. Each quarterly analysis should identify prospective ways and means to increase local procurement of goods and services. In addition to posting this information on our website, we will also share progress on local procurement with the GIROA, UNAMA, Peace Dividend Trust, and others. Specifically, Embassy Kabul intends to sign and issue a joint policy with USFOR-A to implement Afghan First to support Afghan leadership, capacity, and sustainability via local procurement.

